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SIPDIS

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TAGS: SENV EAID EFIS ECON PGOV PREL EC

SUBJECT: GALAPAGOS CALM, FOR NOW

REF: A. Quito 2184  
B. 04 Quito 1578

**¶1.** Summary. Fishermen questioning the GOE's sincerity in finding economic alternatives for their sector walked out of a meeting of the Galapagos Inter-institutional Management Authority (AIM) on October 31. Recent progress bringing the fishing sector back into a productive dialogue on Galapagos conservation appears to be fading, raising fears that the strikes and violence of 2004 may return. Although they would like to avoid the legal backlash that comes with strikes, fishermen may feel they have no other way to obtain assistance from the GOE. While the GOE appears to be trying to address the fishing sector's demands, it must quickly implement programs to address the fishermen's economic concerns if it is to avoid the likelihood of protests in February 2006 when quotas for next year's sea cucumber season are to be negotiated. End Summary.

WARNING SIGNS

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**¶2.** In September 2005, the fishing sector returned to the consultative process after 18 months in which their lack of participation sabotaged the development of sustainable policies for the islands (reftel A). The hopes prompted by their return were dashed when fishing sector representatives walked out of a meeting of the Galapagos Inter-institutional Management Authority (AIM) on October 31. The walkout was triggered by developments -- brought to light during the meeting -- that reinforced their suspicions that the Ministry of the Environment (MOE) has no interest in resolving their economic problems.

**¶3.** The meeting's first blow came when the MOE presented a much discussed 3 million Euro micro-credit program that would provide funding for fishermen to expand into non-extractive economic activities. The fishing sector complained that the MOE originally presented the program as a donation -- not a loan -- even suggesting that the MOE is trying to keep some of the money for itself. Financing for the project is to come from the Italian institution ETIMOS. Meeting with Econoff and USAID last week, ETIMOS expressed doubt that a viable market for micro-credit exists in the Galapagos. If ETIMOS' perspective does not change and the financing is not provided, fishermen will believe that either the whole program was a smoke screen to keep them pacified or that the MOE really did take off with the money.

**¶4.** The second blow occurred when the National Fishing Institute (INP), which was to present a proposal to allow fishermen to engage in long-line fishing, did not show up to the meeting. While seeking support for developing non-fishing alternatives, the fishing sector continues to work to expand its fishing options. Long-line fishing has been discussed for over a year as a possibility, but studies that would precede opening up this activity to fishermen on the Galapagos have yet to begin. INP's no-show was the final straw for some fishermen, who now believe that all the talk surrounding long-line fishing was just that.

**¶5.** On both matters, fishing sector leaders have told Econoff that they believe the MOE is lying to them. They claim the MOE is disconnected from the Galapagos, leaving them deeply suspicious of the ministry's motives and with no hope.

**¶6.** Fishermen also are edgy as they realize that their fishing options -- and thus their income -- are drying up. This year's sea cucumber catch only reached 40% of the allowable quota. Fishermen acknowledge that sea cucumbers, which in recent years have accounted for almost 50% of their income, are on the cusp of commercial extinction in the Galapagos. Adding to their woes, the current lobster season is disappointing. Although they believe that the lobster catch might improve in November and December, economic prospects within the current fishing regime are diminishing.

TO STAGE PROTESTS OR NOT

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**¶7.** Many Galapagos observers fear that the fishing sector, faced with few options, may revert to strikes to influence Galapagos policies in their favor. Strikes in February and

June of 2004 were successful in increasing sea cucumber quotas and opening up discussions to legalize new fishing techniques (reftel B). With that success in mind, fishermen might return to that strategy.

18. However, fishermen also are wary of legal problems that come with strikes and protests. Currently, 33 fishermen still have cases pending against them for their role in the 2004 protests. Fishermen also claim that the judicial process is biased against them, pointing to two incidents of illegal fishing that implicated the scientific community and the tourism sector where no action has been taken by judicial officials.

19. Coordinating protests is difficult because the fishing sector is far from united. The three inhabited islands host four different cooperatives and sometimes within cooperatives the incentives to strike vary widely between leadership and members. However, this was also true in 2004 and strikes occurred anyway.

CURRENT MOE ACTION NOT ENOUGH

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10. While the MOE appears to be trying to assist the fishing community, few concrete actions result from their effort. One of the MOE's big plans -- the infusion of financing through ETIMOS -- may not materialize. Other large-scale financing, such as the IDB's recent \$3 million grant, is slated for technical assistance and will not fund investments into productive ventures for the fishermen. What little is being done to address the fishermen's transition comes from small-scale, USAID-backed projects. Fishermen rightly note that while these projects are effective, much more needs to be done for a fishing sector consisting of over 900 permitted fishermen. NGO and USAID projects cannot fill the gap and the MOE appears to lack the political will and power to implement a successful plan. Many fishermen are turning to the tourism sector for assistance. The tourism sector, which has much to lose with new strikes -- they claim they lost some \$500,000 during the June 2004 protests -- might find it in their interest to lend a helping hand.

COMMENT

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11. Quotas for next year's sea cucumber season will be negotiated in February 2006. Because the sea cucumber population is dwindling, the negotiations will be tense and could set the stage for protests. Before these negotiations begin, the fishing sector needs to see positive results from its involvement in the Galapagos' participatory process if the likelihood of protests is to diminish. In this effort, we are exploring new avenues through which to convince other stakeholders -- namely the tourism sector -- to look beyond short-term profits and realize that their own interests are tied to those of the fishing sector.

JEWELL